

ASX Announcement

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Third Eagle Ford Well 1,488 bopd

Texon announces that its third Eagle Ford well (Tyler Ranch EFS #2H) has tested oil and gas at the rates of 1,488 bopd and 700 mcf/gpd (combined 1,605 boepd (6)) through a 16/64" choke at a flowing tubing pressure of 3,000 psi.

The well is located just to the north of the Company's first Eagle Ford Well (Tyler Ranch EFS #1H) - please refer to the *attached map*.

The test rate from the third well is more than the 1,200 bopd initial rate from Texon's first EF well through the same sized choke. The third well also has a higher flowing pressure which indicates the well may perform better than the first well.

As the ownership of our first and third EF wells is the same, the third well is already connected for oil and gas production through the EFS #1 production facilities.

Texon has an 82% Working Interest (61.6% Nett Revenue Interest) in the Tyler Ranch EFS #2H well.

Texon's CEO, David Mason said "*this is a very good result for the Company. The EFS #3 well is expected to add new Proved, Probable and Possible locations to the Company's inventory of firm Eagle Ford well locations and highlights the quality of Texon's Eagle Ford acreage.*"

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Oil and gas futures prices:

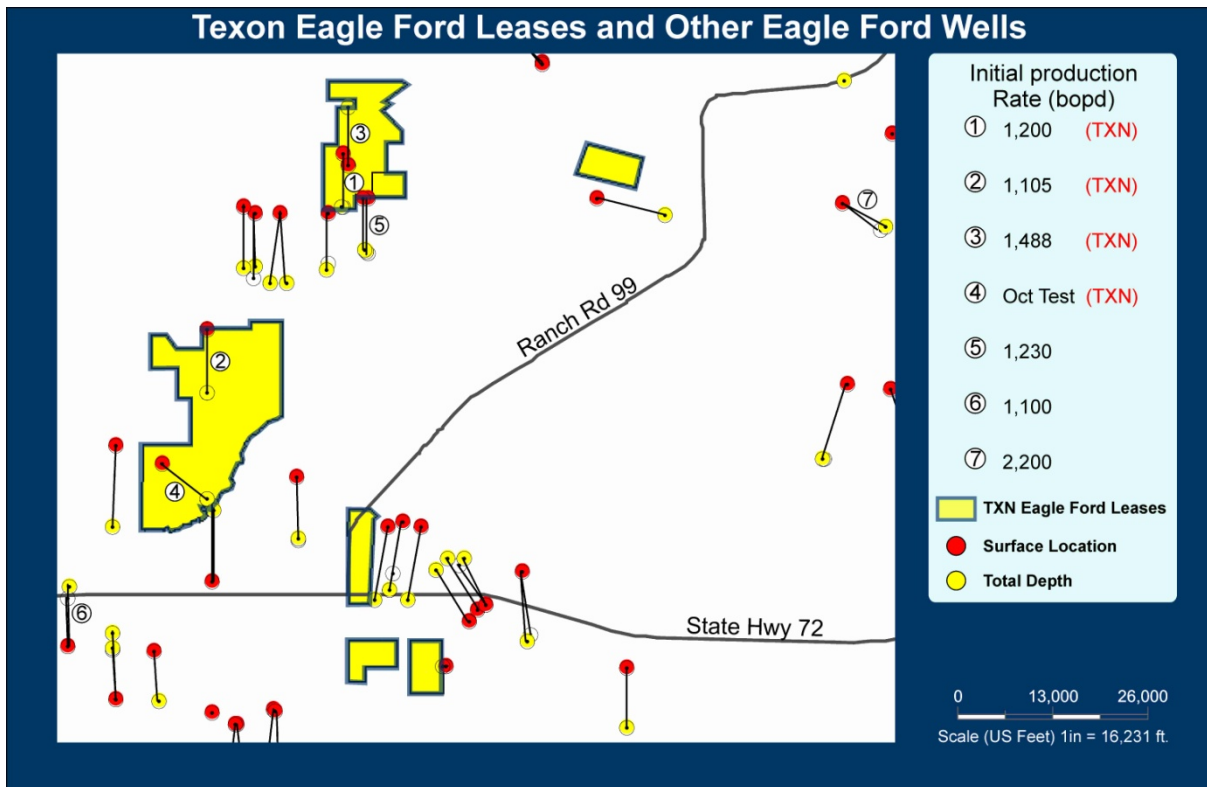
Source: NYMEX October 2011

Oil: US\$88.74/bbl

Gas: US\$3.91/mmbtu (this translates to approx. US\$6.50/mcf for all Texon gas – including US\$7.40/mcf for Olmos and Eagle Ford gas)

Glossary:

- bbbl: barrel
- boepd: barrels of oil equivalent per day (including gas converted to oil equiv barrels on basis of 6mcf to 1 barrel of oil equiv)
- bopd: barrels of oil per day
- mcf: thousand cubic feet
- mcfcpd: thousand cubic feet of gas per day
- mmbtu: million British thermal units
- psi: pounds per square inch



Attachment to Texon Release dated 31 August 2011